



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



NOTE: Obsolete information on this memo is indicated by strikethrough text, e.g., ~~text~~. Revised/new text is highlighted in orange.

TO: Sponsors of the National School Lunch and Breakfast Programs

FROM: ~~Cheryl Resha, Education Manager~~
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: August 14, 2009

SUBJECT: Operational Memorandum No. 18-09
Unallowable Charges to Nonprofit School Food Service Accounts and the Serving of Meals to Nonpaying Full and Reduced-price Students

The frequency of schools allowing full and reduced-price students who do not have lunch money to charge a meal has increased significantly during recent months. Often the moneys due from these students are never paid, leaving the school food service program with an uncollectible debt.

The United States Department of Agriculture (USDA) has recently issued a reminder to state agencies indicating that “bad debts, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal costs are **unallowable**.” *Therefore, funds from the nonprofit school food service account (including dollars received for a la carte sales, catering, etc.) cannot be used to cover the cost of charged meals that have not been paid.*

Additionally, there is confusion as to whether schools/districts are required to provide meals to nonpaying full or reduced-price students, as well as what elements need to be included in a charging policy. The USDA is currently reviewing its guidance and more information and recommendations will be forthcoming.

During the interim, the USDA has indicated that schools/districts may opt to provide an alternate meal such as a cheese or peanut butter sandwich at no charge to the student. Since the student is not being offered the required menu items, this type of meal is not reimbursable and the full cost must be borne by the school/district using funds that do not come from the school food service account. Schools/districts may also choose to serve a reimbursable meal to non-paying students so that some funds are received to offset food and labor costs. Schools/districts that are providing meals to non-paying students should establish a written policy on what food will be provided to nonpaying full or reduced-price students as well as their policy on the charging of school meals. Schools/districts must also make this written policy widely available to parents, guardians and students.

Questions pertaining to this memorandum may be directed to:

<i>COUNTY</i>	<i>CONSULTANT</i>	<i>EMAIL</i>	<i>PHONE</i>
Hartford and Windham	Teri Dandeneau	teri.dandeneau@ct.gov	860-807-2079
Litchfield and Middlesex	Fionnuala Brown	fionnuala.brown@ct.gov	860-807-2048
Fairfield and New London	Jackie Schipke	jackie.schipke@ct.gov	860-807-2123
New Haven and Tolland	Bob Zwaack	robert.zwaack@ct.gov	860-807-2081

For updated contact information, see the [Contact Information for School Nutrition Programs](#) Web page.

CR:tdd

Important: This is a numbered Operational memorandum that contains important program information. Please read carefully and retain in a binder for your future reference. Operational Memoranda are also posted on the Child Nutrition Website: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=320676> Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain in a binder for future reference. All CSDE operational memoranda are posted on the CSDE's [Operational Memoranda for School Nutrition Programs](#) Web page.